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18 UNITED STATES BANKRUPTCY COURT

19 NORTHERN DISTRICT OF CALIFORNIA

20 SAN FRANCISCO DIVISION

21 In re:

22 YIPES COMMUNICATIONS, INC., et al.,¹

23 Debtors.

24 [Applies only to Yipes Transmission,
25 Inc., and Yipes Transmission Virginia,
26 Inc.]

27 Federal Tax I.D. No.: 77-0434300

FILED

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UNITED STATES BANKRUPTCY COURT
SAN FRANCISCO, CA

02-0804
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App

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Case No. 02-30750 DM

Jointly Administered

Chapter 11

ORDER CONFIRMING SECOND AMENDED
JOINT PLAN OF REORGANIZATION OF
YIPES TRANSMISSION, INC., AND YIPES
TRANSMISSION VIRGINIA, INC., UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE

Confirmation Hearing:

Date: November 8, 2002
Time: 11:00 a.m.
Place: United States Bankruptcy Court
235 Pine Street, 22nd Floor
San Francisco, CA
Judge: Honorable Dennis Montali

¹ The above-captioned debtors are: Yipes Communications, Inc., a California corporation ("YC"), Yipes Web Services, Inc., a California corporation ("YWS"), Yipes Communications Group, Inc., a Delaware corporation ("YG"), Yipes Properties, Inc., a California corporation ("YP"), Yipes Transmission, Inc., a California corporation, and Yipes Transmission Virginia, Inc., a Virginia corporation.

1 A hearing was held before this Court on November 8, 2002 ("Confirmation Hearing"),
2 to consider confirmation of the *Second Amended Joint Plan of Reorganization of Yipes*
3 *Transmission, Inc., and Yipes Transmission Virginia, Inc., Under Chapter 11 of the*
4 *Bankruptcy Code* (the "Plan"), dated November 1, 2002, by Yipes Transmission, Inc., and
5 Yipes Transmission Virginia, Inc. (together, the "Regulated Debtors"), and Yipes Enterprise
6 Services, Inc., formerly known as PHX Communications, Inc., and PHX Holdings, Inc.
7 (together, "PHX"). The Regulated Debtors and PHX are referred to collectively as the
8 "Proponents." Unless otherwise defined, a capitalized term used in this Order shall have the
9 meaning set forth in the Plan. Henry Kevane, of Pachulski, Stang, Ziehl, Young & Jones,
10 P.C., appeared on behalf of the Regulated Debtors. Keith McDaniels, of Murphy, Sheneman,
11 Julian & Rogers, appeared on behalf of the Committee. Roberto Kampfner, of Brobeck,
12 Phleger & Harrison LLP, appeared on behalf of PHX. Other appearances are noted on the
13 record of proceedings of the Confirmation Hearing.

14 The Court has reviewed the Plan, the Disclosure Statement, and the following
15 pleadings, declarations and other matters submitted in support of confirmation of the Plan:

- 16 (1) Certificate of Service by First Class Mail, filed on October 7, 2002, and Certificate of
17 Service by Overnight Mail of Plan Solicitation Materials, filed on October 22, 2002, setting
18 forth evidence of service of the Plan and related documents under Local Rule 3018-1(b)
19 ("Proof of Plan Service");
- 20 (2) Plan Supplement Regarding Second Amended Joint Plan of Reorganization, et seq.,
21 filed on November 1, 2002, setting forth (a) the Reorganized Officers and Directors, (b) a
22 nonexclusive list of those executory contracts and unexpired leases of the Regulated Debtors
23 that may be subject to assumption or rejection following confirmation of the Plan, and (c)
24 the Inter-estate Administrative Allocation ("Plan Supplement");
- 25 (3) Submission of Second Amended Joint Plan of Reorganization, et seq., filed on
26 November 1, 2002 ("Submission of Plan Modifications"). Attached as exhibits to the
27 Submission of Plan Modifications are (a) the Plan, as modified, (b) a blacklined copy of the

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1 Plan marked to reflect the proposed modifications made to the Plan originally filed on
2 October 2, 2002, and (b) the proposed Confirmation Order;

3 (4) Declaration of Julianne Viadro Certifying Voting on Second Amended Joint Plan of
4 Reorganization, filed on November 5, 2002, setting forth the results of voting on the Plan
5 under Local Rule 3018-1(a) ("Voting Summary"); and

6 (5) Declaration of Andrew D. Lipman in Support of Confirmation of the Second Amended
7 Joint Plan of Reorganization, et seq., filed on November 5, 2002.

8 It appears that no objections to confirmation of the Plan have been timely filed or served
9 by the October 29, 2002, deadline established under the *Order (1) Approving Disclosure*
10 *Statement, (2) Fixing Plan Confirmation Dates and Deadlines*, entered on October 2, 2002 (the
11 "Disclosure Statement Order").

12 The Court has further examined the entire record compiled in the Chapter 11 Cases, and
13 has considered the offers of proof, evidence admitted and the arguments and representations of
14 counsel at the Confirmation Hearing. Based upon the foregoing matters, and due deliberation
15 having been given to the transactions set forth in the Plan, and good cause appearing, the Court
16 makes the following findings of fact, conclusions of law, and order confirming the Plan:

17 I.

18 Findings of Fact and Conclusions of Law

19 **IT HAS BEEN DETERMINED BY THE COURT THAT:**

20 A. Jurisdiction and Venue. On April 19, 2002, the Regulated Debtors filed their
21 petitions under Chapter 11 of the Bankruptcy Code. This Court has jurisdiction to confirm the
22 Plan pursuant to 28 U.S.C. §§ 1334 and 157. The Confirmation Hearing is a core proceeding
23 under 28 U.S.C. § 157(b)(2)(L) and venue of these cases in the Northern District of California
24 is proper under 28 U.S.C. § 1408.

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1 B. Notice of Plan Proceedings. On October 2, 2002, the Proponents filed the Plan
2 and the Disclosure Statement. In accordance with the Disclosure Statement Order, on October
3 4, 2002, the Proponents served the Plan, the Disclosure Statement, notice of the Confirmation
4 Hearing and the Ballots (the "Solicitation Package") by mail to all creditors and other parties in
5 interest as provided by Bankruptcy Rules 2002, 3017, 3018 and 3019. A supplemental service
6 by overnight mail was made on October 22, 2002, to certain omitted creditors. The proper and
7 timely service of the Solicitation Package is evidenced by the Proof of Plan Service and the
8 Court finds such notice sufficient. The Court further finds that the Proponents have complied
9 with the terms of the Disclosure Statement Order and that notice of the Confirmation Hearing
10 was appropriate in the particular circumstances of the Chapter 11 Cases.

11 C. Modification of Plan. Since the approval of the Disclosure Statement and the
12 filing of the Plan on October 2, 2002, the plan has been modified as described in the
13 Submission of Plan Modifications. The modifications comply with Section 1127 of the
14 Bankruptcy Code and Bankruptcy Rule 3019. The modifications do not adversely change the
15 treatment of any creditors who have not accepted in writing the modifications. Accordingly,
16 (a) no further disclosure is required by Section 1125(c) of the Bankruptcy Code, (b) the Plan as
17 modified shall be deemed accepted by all holders of Claims who have previously accepted the
18 Plan, and (c) all references in this Order to the Plan shall mean the Plan as modified.

19 D. Voting on Plan. The Disclosure Statement Order fixed October 29, 2002, as
20 the last day to vote to accept or reject the Plan. The Regulated Debtors have tabulated the
21 Ballots accepting and rejecting the Plan in the Voting Summary. The Regulated Debtors have
22 further disclosed the corrections made, if any, with respect to non-conforming Ballots. As set
23 forth in the Voting Summary, all impaired Classes entitled to vote on the Plan, with the
24 exception of Class 3 (Miscellaneous Secured Claims), have accepted the Plan in both number
25 and amount pursuant to Section 1126 of the Bankruptcy Code. No Creditors in Class 3 of the
26 Plan voted to accept or reject the Plan.

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1 E. Compliance with Section 1129. The Plan complies with all of the requirements
2 set forth in Section 1129 of the Bankruptcy Code, including the following:

3 1. Plan Compliance--Section 1129(a)(1). The Plan complies with all applicable
4 provisions of the Bankruptcy Code. The Plan designates six separate Classes of Claims and
5 Interests. The Plan adequately and properly classifies all Claims and Interests required to be
6 classified and thus satisfies the requirements of Sections 1122 and 1123(a)(1) of the
7 Bankruptcy Code. Under the Plan, each of Classes 3, 4 and 5 is impaired. The Plan
8 adequately specifies the treatment of each impaired Class of Claims and thus satisfies the
9 requirements of Section 1123(a)(3) of the Bankruptcy Code. The Plan provides the same
10 treatment for each Claim in a particular Class, unless the holder of a particular Claim agrees
11 to less favorable treatment of such Claim. The Plan thus satisfies the requirements of
12 Section 1123(a)(4) of the Bankruptcy Code. No election for application of Section
13 1111(b)(2) of the Bankruptcy Code by any Class of secured creditors was made under
14 Bankruptcy Rule 3014. Article 5 of the Plan provides adequate means for implementation of
15 the Plan by providing for the transfer of the equity interests of the Regulated Debtors or,
16 alternatively, the merger of the Regulated Debtors, as permitted under Section 1123(a)(5)(C)
17 of the Bankruptcy Code. The Plan thus satisfies the requirements of Section 1123(a)(5) of
18 the Bankruptcy Code. The Plan provides that the Regulated Debtors' articles of
19 incorporation shall be deemed amended to prohibit the issuance by the Regulated Debtors of
20 nonvoting securities. The Plan thus satisfies the requirements of Section 1123(a)(6) of the
21 Bankruptcy Code. The Plan contains other provisions for implementation that are
22 reasonable and otherwise consistent with Sections 1123(a)(7) and 1123(b) of the Bankruptcy
23 Code.

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1 2. Proponent Compliance--Section 1129(a)(2). The Proponents have complied
2 with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules. The
3 Proponents solicited acceptances of the Plan in accordance with the requirements of the
4 Disclosure Statement Order and in good faith, as that term is used in Section 1125(e) of the
5 Bankruptcy Code. The Disclosure Statement contains adequate information, as that term is
6 defined in Section 1125(e) of the Bankruptcy Code. The Ballots of holders of Claims
7 entitled to vote on the Plan were properly solicited and tabulated. The Proponents have
8 further complied with all the provisions of the Bankruptcy Code and the Bankruptcy Rules
9 governing notice of the Confirmation Hearing, approval of the Disclosure Statement and all
10 other matters considered by the Court in the Chapter 11 Cases. The record in the Chapter
11 11 Cases further discloses that the Regulated Debtors have attempted in good faith to
12 comply with the orders of the Court entered during the pendency of the cases and that the
13 Regulated Debtors have not violated any such orders.

14 3. Good Faith--Section 1129(a)(3). The Plan has been proposed in good faith and
15 not by any means forbidden by law. No person has timely filed a valid objection to
16 confirmation of the Plan on the grounds that the Plan was not proposed in good faith, or by
17 any means forbidden by law. Accordingly, pursuant to Bankruptcy Rule 3020(b)(2), the
18 Court may determine compliance with Section 1129(a)(4) of the Bankruptcy Code without
19 receiving evidence on such issues. The Court has examined the totality of the circumstances
20 surrounding the formulation of the Plan. It appears to the Court that the Plan is based on
21 arms-length negotiations among the Debtors, the Committee and PHX. The Plan has been
22 accepted by the holders of Claims in all Classes that voted on the Plan and such acceptance
23 evidences the informed judgment of creditors that the Plan is in their best interests.
24 Therefore, the Court finds that the Plan has been proposed in good faith with the legitimate
25 and honest purpose of reorganizing the Debts of the Regulated Debtors.

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1 4. Plan Payments--Section 1129(a)(4). All amounts to be paid by the Regulated
2 Debtors for services or expenses in the Chapter 11 Cases have either been fully disclosed
3 and approved as reasonable or, pursuant to the terms of the Plan, will be disclosed and
4 subject to the approval of the Bankruptcy Court following Confirmation of the Plan. The
5 payments to be made by PHX, a proponent of the Plan, to Brobeck Phleger & Harrison LLP
6 and Swidler Berlin Shereff Friedman LLP for regulatory and other legal advice in
7 connection with the formulation, confirmation and implementation of the Plan are approved.
8 The payments to be made by PHX, a proponent of the Plan, to counsel for the Regulated
9 Debtors and the Committee, and to the Regulatory Officer and the Responsible Individual
10 for the Regulated Debtors (in the form of reimbursements made by PHX to the Regulated
11 Debtors under the Interim Services Agreement) have been or will be fully disclosed and are
12 subject to approval, or have previously been approved, by the Court. Accordingly, the Plan
13 satisfies the requirements of Section 1129(a)(4) of the Bankruptcy Code.

14 5. Officer Affiliations--Section 1129(a)(5). Following the Effective Date, the
15 Proponents have proposed that the Reorganized Officers and Directors shall serve as
16 directors and officers of the Reorganized Debtors following confirmation of the Plan. The
17 Plan Supplement discloses the identity and affiliations of each of the Reorganized Officers
18 and Directors. Accordingly, the Plan satisfies the requirements of Section 1129(a)(5) of the
19 Bankruptcy Code. There are no insiders of the Regulated Debtors that will be employed by
20 the Reorganized Debtors following confirmation of the Plan.

21 6. Rates--Section 1129(a)(6). There are no rate changes provided for in the Plan.

22 7. Best Interests--Section 1129(a)(7). Confirmation of the Plan and
23 implementation of the Inter-estate Settlement contained in the Plan appear preferable to the
24 liquidation of the Regulated Debtors under Chapter 7. The Disclosure Statement indicates
25 that each holder of an Allowed Claim will receive under the Plan property of a value not
26 less than the amount such holder would receive if the Debtors were liquidated under Chapter
27 7 of the Bankruptcy Code. There can be no assurance that, if the cases of the Regulated
28 Debtors were converted to Chapter 7, the Regulated Debtors would be able to disburse the

1 amounts projected under the Plan to Creditors. A conversion of the cases to Chapter 7
2 would likely be accompanied by additional costs and further delay in the distribution of
3 property of the estate, thereby diluting the amounts presently available for distribution to
4 Creditors under the Plan. The Plan thus represents a reasonable effort by the Regulated
5 Debtors that will likely provide a superior recovery to creditors than conversion of the
6 Chapter 11 Cases. Accordingly, the Plan is in the best interests of creditors under Section
7 1129(a)(7) of the Bankruptcy Code.

8 8. Acceptance/Cramdown--Sections 1129(a)(8) and 1129(b). Class 1 (Priority
9 Claims), Class 2 (Comerica Claims) and Class 6 (Equity Interests) are unimpaired under the
10 Plan. Accordingly, pursuant to Section 1126(f) of the Bankruptcy Code, Classes 1, 2 and 6
11 are deemed to have accepted the Plan, and solicitation of acceptances with respect to such
12 Classes is, therefore, not required. All other holders of Claims impaired under the Plan
13 have been given adequate opportunity to vote to accept or reject the Plan. As demonstrated
14 in the Voting Summary, the Plan has been accepted, within the meaning of Section 1126(c)
15 of the Bankruptcy Code, by the holders of Claims in Classes 4 and 5. It appears that no
16 Creditors in Class 3 voted to accept or reject the Plan. Pursuant to Section 13.3 of the Plan,
17 the Proponents have requested confirmation of the Plan under the cramdown provisions of
18 Section 1129(b). The treatment of Class 3 under the Plan satisfies Section 1129(b)(1) of the
19 Bankruptcy Code because the Plan does not discriminate unfairly, and is fair and equitable,
20 with respect to Class 3. The Plan provides that each holder of a Claim in Class 3 will either
21 receive cash payments equal to the amount of such holder's claim, or the indubitable
22 equivalent of such claims. Accordingly, the Plan satisfies the tests set forth in Section
23 1129(b)(2)(A)(i) and (iii) of the Bankruptcy Code with respect to Class 3, and the Plan may
24 be confirmed over the deemed rejection of Class 3.

25 9. Administrative Expenses and Priority Claims--Section 1129(a)(9). Except to
26 the extent that the holder of a particular Claim has agreed to a different treatment of such
27 Claim, Sections 2.2, 2.3, 2.4 and 4.1.2 of the Plan provide that, as soon as practicable after
28 the later of the Effective Date of the Plan or the date upon which the Bankruptcy Court

1 allows a particular Administrative Claim, Priority Tax Claim or Priority Claim, each holder
2 of such a claim will receive on account of such claim Cash equal to the allowed amount of
3 such claim. Accordingly, the Plan complies with the requirements of Section 1129(a)(9) of
4 the Bankruptcy Code.

5 10. Impaired Class Acceptance--Section 1129(a)(10). According to the Voting
6 Summary, at least one Class of Claims impaired under the Plan has accepted the Plan,
7 determined without including any acceptance of the Plan by any insider.

8 11. Feasibility--Section 1129(a)(11). The Plan provides for the transfer of the
9 Equity Interests in the Regulated Debtors to Holdings or, if the Merger Election is selected,
10 the merger of YTI into New Yipes. The Plan further provides for the creation of the
11 Creditor Fund for distribution to Creditors. The Regulated Debtors have adequately
12 demonstrated their ability to (a) make the payments to Creditors required under the Plan,
13 and (b) satisfy all applicable Regulatory Approvals necessary to consummate the transfer of
14 the Equity Interests of the Regulated Debtors, or the Merger. The Plan, thus, has
15 reasonable prospects for success and appears capable of being performed. Confirmation of
16 the Plan is not likely to be followed by the liquidation of the Reorganized Debtors or the
17 need for further financial restructuring. Accordingly, the Plan is feasible under Section
18 1129(a)(11) of the Bankruptcy Code.

19 12. Fees Payable Under 28 USC § 1930--Section 1129(a)(12). Section 5.3 of the
20 Plan provides for the payment of all fees payable under section 1930 of title 28 of the United
21 States Code as soon as practicable following the Effective Date of the Plan, to the extent not
22 previously paid by the Regulated Debtors during the Chapter 11 Cases.

23 13. Retiree Benefits--Section 1129(a)(13). It appears that the Regulated Debtors
24 are not obligated to provide "retiree benefits" within the meaning of Section 1114(a) of the
25 Bankruptcy Code.

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1 F. Assumption and Rejection--Section 1123(b)(2). Sections 6.2, 6.3 and 6.5 of
2 the Plan permit the assumption or rejection, as the case may be, by the Regulated Debtors of
3 executory contracts and unexpired leases following Confirmation of the Plan. The Regulated
4 Debtors have identified in the Plan Supplement certain contracts and leases that remain subject
5 to assumption or rejection by separate motion following Confirmation of the Plan. The
6 Regulated Executory Contracts were previously assumed, on a deferred basis, by the Regulated
7 Debtors for assignment to Holdings upon the satisfaction of applicable Regulatory Approvals.
8 The Plan provides for the amendment of the Approval Order and the Asset Purchase
9 Agreement such that the Regulated Executory Contracts will not be assigned to Holdings but
10 will instead be assumed by the Regulated Debtors and assigned to the applicable Reorganized
11 Debtor (in connection with the corporate reorganization of the Regulated Debtors contemplated
12 by the Plan). Pursuant to Section 6.2 of the Plan, all executory contracts and unexpired leases
13 of the Regulated Debtors that are not expressly assumed by separate motion following
14 confirmation of the Plan, except for the Regulated Executory Contracts, shall be deemed
15 rejected by the Regulated Debtors as of the Effective Date. The Court finds that the Regulated
16 Debtors have exercised reasonable business judgment in making the decision to assume or
17 reject their executory contracts and unexpired leases under the Plan.

18 G. Settlement Contained in Plan--Section 1123(b)(3). Section 5.6 of the Plan
19 provides for the compromise of certain inter-estate claims among the Regulated Debtors and the
20 Unregulated Debtors. Under the compromise all Intercompany Claims between the Regulated
21 and Unregulated Debtors will be deemed released and \$1,000,000 of gross sale proceeds and
22 excluded assets (deposited into the Creditor Fund created under the Plan) will be earmarked for
23 distribution to Creditors of the Regulated Debtors under the Plan. The Court has reviewed the
24 information provided by the Regulated Debtors concerning the allocation dispute in the
25 Disclosure Statement. The terms and conditions of the Inter-estate Settlement are reasonable
26 and appropriate and fall within the range of possible litigation outcomes without representing
27 either extreme of that range. Accordingly, the Court finds that the Inter-estate Settlement
28 contained in Section 5.6 of the Plan is fair, equitable and in the best interests of the Regulated

1 Debtors and their respective Estates. The Proponents have timely disclosed the amount of the
2 Inter-estate Administrative Allocation in the Plan Supplement.

3 H. Conditions to Confirmation. Based on the evidence presented, it appears that
4 each of the conditions to confirmation contained in Section 8.1 of the Plan has either been
5 satisfied or validly waived. Based on the evidence presented, the Court finds that the
6 conditions precedent to the effectiveness of the Plan, as set forth in Section 8.2 of the Plan, are
7 likely to be satisfied as of the Effective Date.

8 II.

9 Order Confirming Plan

10 Based upon the record of the Confirmation Hearing, all the proceedings held before this
11 Court in the Chapter 11 Cases, and the foregoing findings of fact and conclusions of law,

12 **IT IS HEREBY ORDERED THAT:**

13 1. Plan Confirmed. The Plan is confirmed. The Regulated Debtors are
14 authorized to (a) take such actions as may be necessary or appropriate to carry out the Plan,
15 and (b) execute such documents and instruments (including the Plan Documents) as may be
16 required to implement the Plan. Pursuant to Section 1142(b) of the Bankruptcy Code, the
17 Unregulated Debtors shall take any actions necessary to consummate the Plan.

18 2. Confirmed Plan Binding. Pursuant to Section 1141 of the Bankruptcy
19 Code, upon the Effective Date, the provisions of the Plan shall bind (a) the Regulated Debtors,
20 and (b) any Creditor of the Regulated Debtors, whether or not (i) such Creditor has filed a
21 proof of Claim or is deemed to have filed a proof of Claim under Sections 501 or 1111 of the
22 Bankruptcy Code, (ii) the Claim of such Creditor is allowed under Section 502 of the
23 Bankruptcy Code, (iii) such Creditor has accepted the Plan, or (iv) such Creditor is impaired
24 under the Plan. Notwithstanding Section 1141(d)(1)(B) of the Bankruptcy Code, the Equity
25 Interests shall be retained as set forth in the Plan.

26 3. Revesting of Property of Estates. Pursuant to Section 1141 of the
27 Bankruptcy Code, upon the Effective Date, all property of the estates of the Regulated Debtors
28 shall vest in the Reorganized Debtors upon the Effective Date and shall no longer constitute

1 property of the estates created for the Regulated Debtors in the Chapter 11 Cases pursuant to
2 Section 541 of the Bankruptcy Code. The Creditor Fund shall be held in trust by the
3 Reorganized Debtors and shall be distributed to Creditors in accordance with Sections
4 1123(a)(5)(D) and 1123(b)(4) of the Bankruptcy Code, the Plan and this Order.

5 4. Discharge. Upon the Effective Date, all Debts of the Regulated
6 Debtors shall be discharged. Except as provided in the Plan or this Order, the rights afforded
7 under the Plan and the treatment of Claims and Equity Interests under the Plan are in exchange
8 for and in complete satisfaction, discharge, and release of, all Claims, including, without
9 limitation, any interest accrued on General Unsecured Claims from the Petition Date. Except
10 as provided in the Plan or this Order, confirmation of the Plan discharges the Regulated
11 Debtors and Reorganized Debtors from all Claims or other debts that arose before the
12 Confirmation Date, and all debts of the kind specified in Sections 502(g), 502(h) or 502(i) of
13 the Bankruptcy Code, whether or not: (i) a proof of claim based on such debt is filed or
14 deemed filed under Section 501 of the Bankruptcy Code; (ii) a Claim based on such debt is
15 Allowed under Section 502 of the Bankruptcy Code; or (iii) the holder of a Claim based on
16 such debt has accepted the Plan.

17 5. Means of Implementation Approved. The Regulated Debtors are
18 authorized and directed to take all actions necessary or appropriate, including the pursuit of any
19 and all Regulatory Approvals, to implement, effectuate and consummate the Plan in accordance
20 with its terms, to carry out the transactions contemplated by the Plan, and to enter into the Plan
21 Documents created in connection with the Plan or to be executed pursuant to the Plan.

22 a. Aggregation of Claims. On the Effective Date, the Creditors of YTI and
23 YTVI shall be treated as a single group for purposes of distributions from the Creditor
24 Fund.

25 b. Appointment of Estate Representative. The Reorganized Debtors are
26 appointed the representative of the Regulated Debtors under Section 1123(b)(3) of the
27 Bankruptcy Code for the purpose of exercising the rights, powers and authority of the
28 Regulated Debtors under Sections 5.3, 5.7, 14.1 and 14.2 of the Plan.

1 c. Charters. Each of the Regulated Debtor's articles of incorporation shall be
2 deemed amended as of the Effective Date to prohibit the issuance of nonvoting equity
3 securities.

4 d. Modifications of Agreements. Upon the Effective Date, (a) the Asset
5 Purchase Agreement and the Approval Order shall be deemed amended to provide that the
6 Regulated Executory Contracts shall *not* be assigned to Holdings but to the applicable
7 Reorganized Debtor in connection with the corporate reorganization implemented under the
8 Plan, and (b) the Transaction Documents shall terminate. Any of the Plan Documents may
9 be modified or amended, before or after the Effective Date, but only if (1) the Proponents,
10 and any other party to such Plan Document, consent in writing or (2) to the extent the Plan
11 Document affects the treatment of other Creditors under the Plan, the Bankruptcy Court,
12 after such notice as it deems appropriate, determines that the modification or amendment
13 does not adversely change the treatment of the Claim of such Creditor who has not accepted
14 in writing the modification or amendment.

15 6. Tax Exemption. Pursuant to Section 1146(c) of the Bankruptcy Code, the
16 making or delivery of an instrument of transfer related to the property dealt with by the Plan
17 shall not be taxed under any law imposing a stamp tax or similar tax.

18 7. Assumption and Rejection Approved. The Regulated Debtors are
19 authorized, following Confirmation of the Plan, to seek to assume by separate motion any
20 executory contracts and unexpired leases to which the Regulated Debtors may be a party,
21 including the Supplemental Contracts identified in the Plan Supplement, pursuant to Section
22 365(b) of the Bankruptcy Code and Section 6.2 of the Plan. Any executory contracts and
23 unexpired leases of the Regulated Debtors that are not expressly assumed by separate motion,
24 with the exception of the Regulated Executory Contracts, shall be deemed rejected pursuant to
25 Section 365(g) of the Bankruptcy Code and Section 6.2 of the Plan as of the Effective Date.
26 The assumptions and rejections described in Section 6.2 of the Plan are hereby approved.

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1 8. Inter-estate Settlement Contained in Plan Approved. The Regulated
2 Debtors are authorized to enter into, implement and consummate the Inter-estate Settlement set
3 forth in Section 5.6 of the Plan. The Inter-estate Settlement described in Section 5.6 of the
4 Plan is hereby approved pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code and
5 Bankruptcy Rule 9019. The Inter-estate Administrative Allocation in the amount of \$100,000
6 shall be paid to YC from the Creditor Fund upon the Effective Date of the Plan.

7 9. Post-Confirmation Bar Dates. The following deadlines ("Post-
8 Confirmation Bar Dates") are hereby fixed for the actions described below. Any holder of a
9 Claim of a kind described in this paragraph, for which a proof of Claim, motion or application
10 (as the case may be) is not filed on or before the applicable date set forth below, shall not
11 participate in any distribution under the Plan and shall be forever barred from asserting such
12 Claim against the Reorganized Debtors, the Regulated Debtors, and any property of the
13 Regulated Debtors.

14 a. Claims Arising Upon Rejection. Pursuant to Section 6.5 of the Plan, all
15 Claims against the Regulated Debtors arising from the rejection of an executory contract or
16 unexpired lease under the Plan must be filed with the Bankruptcy Court, and served on
17 counsel for the Proponents, not later than 45 days following the Effective Date of the Plan.

18 b. Non-Budgeted Administrative Claim Bar Date. Pursuant to Sections
19 1.59 and 2.2.2 of the Plan, all requests for payment of Non-Budgeted Administrative Claims
20 incurred prior to the Effective Date of the Plan must be filed with the Bankruptcy Court, and
21 served on counsel for the Proponents, not later than 30 days following the Effective Date of
22 the Plan

23 c. Professional Fee Bar Date. Pursuant to Sections 1.73 and 2.5 of the
24 Plan, all final applications for Professional Fees for services rendered or expenses incurred
25 on behalf of the Regulated Debtors before the Effective Date of the Plan, must be filed with
26 the Bankruptcy Court, and served on counsel for the Proponents, not later than 30 days
27 following the Effective Date of the Plan.

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10. Notices.

a. Entry of Confirmation Order. As soon as practicable after the Confirmation Date, the Regulated Debtors shall mail notice of the entry of this Order to all parties entitled to notice pursuant to Bankruptcy Rules 2002(f) and 3020(c).

b. Occurrence of Effective Date. As soon as practicable after the Effective Date, the Reorganized Debtors shall mail notice of the occurrence of the Effective Date to all parties entitled to notice pursuant to Bankruptcy Rules 2002(f) and 3020(c). The notice shall set forth the Post-Confirmation Bar Dates specified in ¶ 9 of this Order, contain such other information as may be appropriate to implement the Plan, and shall constitute adequate and sufficient notice of the Post-Confirmation Bar Dates. The notice shall also contain a non-exclusive list of those executory contracts and unexpired leases of the Regulated Debtors that are deemed rejected under Section 6.2 of the Plan.

11. Retention of Jurisdiction. This Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of or related to the Chapter 11 Cases to the fullest extent permissible under (i) Section 105(a) of the Bankruptcy Code, (ii) Bankruptcy Rule 3020(d), and (iii) Article 11 of the Plan, and as otherwise necessary or useful to aid in the confirmation and consummation of the Plan.

12. United States Trustee Fees and Reports. All fees payable under 28 U.S.C. § 1930(a)(6) shall be paid by the Regulated Debtors in the amounts and at the times such fees may become due up to and including the Effective Date. Thereafter, the Reorganized Debtors shall pay all fees payable under 28 U.S.C. § 1930(a)(6) until the Chapter 11 Cases are closed, dismissed or converted. Upon the Effective Date, the Reorganized Debtors shall be relieved from the duty to make the reports and summaries required under Bankruptcy Rule 2015(a). Notwithstanding the foregoing, until the Chapter 11 Cases are closed, dismissed or converted, the Reorganized Debtors shall prepare and submit to the Office of the United States Trustee, on or before the last day of the month after each calendar quarter, the post-confirmation report for a revested debtor in the form suggested by the Office of the United

1 States Trustee for Region 17. The report shall be made, and the fees shall be payable, on a
2 consolidated basis by the Reorganized Debtors. The first report shall be due following the first
3 full calendar quarter following the Effective Date.

4 13. Construction of Order. The failure to reference a particular provision of
5 the Plan in this Order shall not affect the validity or enforceability of such provision. Each
6 provision of the Plan shall be deemed authorized and approved by this Order and shall have the
7 same binding effect of every other provision of the Plan, whether or not mentioned in this
8 Order.

9 14. Failure of Effective Date. The rights, claims and interests of the
10 Regulated Debtors, the Unregulated Debtors, New Yipes, Holdings and the Committee in
11 connection with these Chapter 11 Cases shall be unaffected by this Order, the Plan or any of
12 the Plan Documents until the Effective Date. If the Effective Date does not occur on or before
13 March 1, 2003 (unless this date is extended or waived by the Proponents) this Order shall be
14 deemed vacated and the Regulated Debtors, the Unregulated Debtors, New Yipes, Holdings
15 and the Committee shall have the same rights, claims and interests as if this Order had never
16 been entered.

17 Dated: NOV 08 2002

DENNIS MONTALI

UNITED STATES BANKRUPTCY JUDGE

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20 Submitted by:

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